

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Beneficiary Choices
7500 Security Boulevard, Mail Stop C1-05-17
Baltimore, Maryland 21244-1850



Medicare Plan Accountability Group

DATE: December 17, 2004

TO: Medicare Managed Care Organizations (MCOs)

FROM: Marla K. Kilbourne
Director, Division of Enrollment and Payment Operations

SUBJECT: **ACTION** –January 2005 ESRD Payments and the Final Transition to the Medicare Managed Care System (MMCS)

This is to notify you of the final transition activities taking place to complete the move to the new MMCS from the current Group Health Plan system (GHP, McCoy and GROUCH) and how these activities have impacted the January payments for your ESRD membership.

January 2005 Payments for ESRD Beneficiaries

The 2005 payment methodology for ESRD beneficiaries has changed substantially from the 2004 process as was explained in various communications and at the Enrollment and Payment Conference this past September. The GHP was not programmed to pay for ESRD members in this new way. Due to the change in the MMCS implementation schedule the January payments were calculated in GHP as before. Therefore, your ESRD members were paid under the old 2004 methodology using the 2004 ESRD rates and factors. The MMCS will be calculating the ESRD payments appropriately when it becomes the system of record for February. We will adjust the January payments for your ESRD members in the March payment or soon thereafter. We apologize for this inconvenience.

MMCS Implementation for February 1 Payments

MMCS will become the enrollment and payment system of record effective with the February 1, 2005 payments. The February payment processing month begins as soon as the January reports are available in GROUCH, which is scheduled for December 20. On that date, the MMCS will become the system of record and the GHP will be in place only to assist you in your membership and payment reconciliations for January and prior months. GHP will remain as a backup system temporarily.

- All enrollment transactions, including disenrollments and corrections, should be submitted to MMCS beginning December 28 or as soon as the system is available. These effective dates would be for current month enrollments and disenrollments as well as prospective actions of February 1, 2005 or later.
- All NDM users submit batch files to MMCS in the same way you submitted your files to GHP. All other users should continue to use the OG00 execute statement to submit batch files to MMCS until further notice.

There are a few items we would like to bring to your attention that you may notice when processing your membership and payment reports from MMCS. Your organization may experience some or none of what we call “known differences” between GHP and MMCS. Please see the items below along with the actions you need to take, if any, for those items.

- Disenrollments for loss of entitlement to Part A or Part B will be properly adjusted.
- The payment for a beneficiary who was born on the first day of the month will be properly adjusted for the preceding month by MMCS.
- Hospice payments for beneficiaries who are disenrolled will be properly processed the month following the disenrollment.
- There are approximately 800 beneficiaries who were on GHP but are not on MMCS, or are on with a different identifier. These cases are a result of health insurance claim number or other types of identifier discrepancies. The cases are being researched and corrected but require manual database manipulation. If you find members during your February reconciliation, who were properly on your membership in January, are not disenrolled for any reason in February, but are not found on your February reports, please send information for that member(s) to IntegriGuard, 2121 North 117th Avenue, Suite 200, Omaha, Nebraska, 68164, Attn: February Enrollment Issue. Include the beneficiary’s health insurance claim number, first and last name, and the beneficiary’s DOB in your transmission. *Please note that this only applies to beneficiaries that were properly active in your plan during January and have dropped off of your February report for no apparent reason. These enrollment corrections should be submitted in accordance with the 45 day reconciliation time frame.* IntegriGuard will research, send to CMS for correction as necessary and send a response to your plan.

Please continue to communicate to DEPO as you normally do regarding enrollment and payment issues. Our contact list is attached. Please let us know of any issues you are experiencing with the MMCS that you cannot resolve.

Thank you for your continued cooperation during this transition period. We are looking forward to a successful implementation and hope you enjoy the new Medicare Managed Care System and its many online functions.

Attachments

cc: Cynthia Moreno, Director,
Medicare Plan Accountability Group, CBC

CMS Regional Office Coordinators